



4004

ANNUAL REPORT

OF

Name: LEMONWEIR VALLEY TELEPHONE COMPANY

Principal Office: 127 U.S. HWY 12
CAMP DOUGLAS, WI 54618-0267

For the Year Ended: DECEMBER 31, 2004

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
<http://psc.wi.gov>

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2004 report is due April 1, 2005.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required, unless additional provisional confidential treatment is desired.**
Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, and select the appropriate program for Incumbent Local Exchange Carriers (LECs). If additional confidential treatment is desired, see the Commission's Web Page for filing instructions using the Electronic Regulatory Filing (ERF) System.
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-116. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Report all dollar amounts to the nearest thousand dollars. (Example: \$130,000 should be reported as \$130.)
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items. These items vary from year to year and are based on the Commission's decision regarding confidential items in the annual report.

GENERAL RULES FOR REPORTING

If additional provisional confidential treatment is desired, do not file the annual report electronically using the program's e-mail filing capabilities.

13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy of the annual report with the Commission.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://www.wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

GENERAL RULES FOR REPORTING

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to an electronic filing (i.e., using the program's e-mail capabilities) with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions. Revisions to an annual report previously filed on a manual basis (i.e., using the Commission's ERF system) also require a new complete manual filing.

SIGNATURE PAGE

I MR. JAMES M. COSTELLO of
(Person responsible for accounts)

LEMONWEIR VALLEY TELEPHONE COMPANY , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

MR. JAMES M. COSTELLO 05/01/2005
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: LEMONWEIR VALLEY TELEPHONE COMPANY
Utility Location: 127 U.S. HWY 12
CAMP DOUGLAS, WI 54618-0267

Utility (or Parent/Holding Company) Web Site Address:
www.lemonweirtel.com

When was utility organized?: 01/01/1907

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:
Business Customers: (608) 427 - 6515 Ext:
Residential Customers: (608) 427 - 6515 Ext:

Primary Utility Contact (located at utility address)

Name: MR. JAMES M. COSTELLO
Title: SECRETARY / GENERAL MANAGER

Office Address: 127 U.S. HWY 12
P.O. BOX 267
CAMP DOUGLAS, WI 54618-0267

Fax Number: (608) 427 - 3438
Telephone Number: (608) 427 - 6515
Email Address: jimc@mwt.net

Officer in charge of correspondence concerning this report

Name: MR. JAMES M. COSTELLO
Title: SECRETARY / GENERAL MANAGER

Office Address: 127 U.S. HWY 12
P.O. BOX 267
CAMP DOUGLAS, WI 54618-0267

Fax Number: (608) 427 - 3438
Telephone Number: (608) 427 - 6515
Email Address: jimc@mwt.net

Individual or firm, if other than utility employee, preparing this report

Name: MR. GARY MEIER
Title: CERTIFIED PUBLIC ACCOUNTANT
Firm: SIEPERT & CO. LLP
Office Address: 1920 WEST HART ROAD
BELOIT, WI 53511

Fax Number: (608) 364 - 8727
Telephone Number: (608) 365 - 2266
Email Address: gmeier@siepert.com

M

IDENTIFICATION AND OWNERSHIP

Person responsible for financial information contained in report

Name: MR. JAMES M. COSTELLO
Title: SECRETARY / GENERAL MANAGER

Office Address: 127 U.S. HWY 12
P.O. BOX 267
CAMP DOUGLAS, WI 54618-0267

Fax Number: (608) 427 - 3438
Telephone Number: (608) 427 - 6515
Email Address: jjmc@mwt.net

Person responsible for statistical information contained in report

Name: MR. JAMES M. COSTELLO
Title: SECRETARY / GENERAL MANAGER

Office Address: 127 U.S. HWY 12
P.O. BOX 267
CAMP DOUGLAS, WI 54618-0267

Fax Number: (608) 427 - 3438
Telephone Number: (608) 427 - 6515
Email Address: jjmc@mwt.net

Contact person for regulatory inquiries and complaints

Name: MR. JAMES M. COSTELLO
Title: SECRETARY / GENERAL MANAGER

Office Address: 127 U.S. HWY 12
P.O. BOX 267
CAMP DOUGLAS, WI 54618-0267

Fax Number: (608) 427 - 3438
Telephone Number: (608) 427 - 6515
Email Address: jjmc@mwt.net

List names, addresses, and percent ownership interest held by persons owning 5 percent or more of outstanding voting securities or membership interests. If any stock (or interest) is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: NONE
Address: NONE
NONE, WI 00000

Percent Interest Held:
Beneficial Owner: NONE

IDENTIFICATION AND OWNERSHIP

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:	LVT CORP.
Form of Interest:	EQUITY
Extent Of Interest:	100 % OWNERSHIP

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: DONNA REZIN Title/Occupation: TREASURER Business Address (1): 127 U.S. HWY 12 Business Address (2): P.O. BOX 267 Business Address (3): City State, Zip: CAMP DOUGLAS, WI 54618-0267	1
<hr/>	
Name: GARY ROBISON Title/Occupation: PRESIDENT Business Address (1): 127 U.S. HWY 12 Business Address (2): P.O. BOX 267 Business Address (3): City State, Zip: CAMP DOUGLAS, WI 54618-0267	2
<hr/>	
Name: JAMES COSTELLO Title/Occupation: SECRETARY / MANAGER Business Address (1): 127 U.S. HWY 12 Business Address (2): P.O. BOX 267 Business Address (3): City State, Zip: CAMP DOUGLAS, WI 54618-0267	3
<hr/>	
Name: JOHN SINGLETON Title/Occupation: DIRECTOR Business Address (1): 127 U.S. HWY 12 Business Address (2): P.O. BOX 267 Business Address (3): City State, Zip: CAMP DOUGLAS, WI 54618-0267	4
<hr/>	
Name: MARLAN NESS Title/Occupation: DIRECTOR Business Address (1): 127 U.S. HWY 12 Business Address (2): P.O. BOX 267 Business Address (3): City State, Zip: CAMP DOUGLAS, WI 54618-0267	5
<hr/>	
Name: PAUL BERG Title/Occupation: VICE PRESIDENT Business Address (1): 127 U.S. HWY 12 Business Address (2): P.O. BOX 267 Business Address (3): City State, Zip: CAMP DOUGLAS, WI 54618-0267	6

OFFICERS AND DIRECTORS

Name, Title/Occupation and Business Address

Name: STEPHEN DAY

Title/Occupation: DIRECTOR

Business Address (1): 127 U.S. HWY 12

Business Address (2): P.O. BOX 267

Business Address (3):

City State, Zip: CAMP DOUGLAS, WI 54618-0267

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INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	4,073	3,845	1
Total Operating Revenues	4,073	3,845	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	567	651	2
Plant Nonspecific Operations Expense	1,228	1,131	3
Customer Operations Expense (6610-6620)	442	435	4
Corporate Operations Expense (6720-6790)	433	520	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	618	433	7
Total Operating Expenses	3,288	3,170	
Net Operating Income	785	675	
Other Income			
Nonoperating Income and Expense (7300)	309	628	8
Nonoperating Taxes (7400)	11	17	9
Interest and Related Items (7500)	163	137	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	1	(82)	12
Total Nonoperating Income	136	392	
Net Income	921	1,067	

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. TELEPHONE PLANT IN SERVICE IS RECORDED AT ORIGINAL COST AND DEPRECIATION IS COMPUTED ON THE STRAIGHT-LINE BASIS FOR STATEMENT PURPOSES. THE PROVISION RATES ARE APPLIED TO THE GROUP ACCOUNT ASSETS FOR COMPUTATION OF ANNUAL DEPRECIATION. RETIREMENTS ARE RECORDED USING AVERAGE UNIT COSTS. MAINTENANCE COSTS ARE EXPENSED AS INCURRED.

B. REDUCTION OF INCOME TAXES DUE TO INVESTMENT TAX CREDIT IS DEFERRED AND IS BEING AMORTIZED OVER THE SERVICE LIFE OF THE PLANT WHICH CREATED THE CREDIT. THE COMPANY AMORTIZED \$481 AND \$529 OF INVESTMENT CREDIT FOR THE YEARS 2004 AND 2003, RESPECTIVELY.

C. INTEREST IS CAPITALIZED ON ALL MAJOR CONSTRUCTION PROJECTS. INTEREST TOTALLING \$8,088 FOR 2004 AND \$44,224 FOR 2003 WAS CAPITALIZED AT THE COMPANY'S COST OF DEBT FUNDS. PAYROLL TAXES AND EMPLOYEES' INSURANCE COSTS ARE CAPITALIZED ON ALL PLANT ADDITIONS. THIS CAPITALIZATION IS BEING TREATED AS ADDITIONS TO TELEPHONE PLANT FOR BOTH STATEMENT AND TAX PURPOSES.

D. EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF LONG-TERM DEBT ARE DEFERRED AND WILL BE AMORTIZED OVER THE LIFE OF THE RESPECTIVE DEBT ISSUES ON A STRAIGHT-LINE BASIS.

E. THE COMPANY HAS A DEFINED CONTRIBUTION PROFIT-SHARING PLAN FOR THE COMPANY EMPLOYEES WHICH IS ADMINISTERED BY A TRUSTEE. CONTRIBUTIONS ARE MADE EACH YEAR BASED ON A PERCENTAGE OF EMPLOYEES WQAGES. PROFIT-SHARING EXPENSE AMOUNTED TO \$93,285 FOR 2004 AND \$77,871 FOR 2003.

F. THE COMPANY HAS A CONTRACT WITH AN AREA SCHOOL DISTRICT TO PROVIDE DISTANCE LEARING EQUIPMENT. UNDER THE TERMS OF THE CONTRACT, THE COMPANY RECEIVED ADVANCE PAYMENTS OF \$13,869 TO PROVIDE AND MAINTAIN CERTAIN NETWORK EQUIPMENT FOR A THIRTY-FIVE MONTH PERIOD BEGINNING FEBRUARY 5, 2003. THE PAYMENT WAS DEFERRED AND IS BEING RECOGNIZED AS INCOME OVER THE PERIOD OF THE CONTRACT.

G. REVENUES ARE RECOGNIZED AS EARNED REGARDLESS OF THE PERIOD IN WHICH THEY ARE BILLED.

REVENUE FOR INTRASTATE SERVICES IS RECEIVED THROUGH TARIFFED ACCESS CHARGES AS FILED WITH THE PUBLIC SERVICE COMMISSION OF WISCONSIN. THESE ACCESS CHARGES ARE BILLED TO THE LONG DISTANCE CARRIERS AND RETAINED BY THE COMPANY.

REVENUE FOR INTERSTATE ACCESS SERVICES IS RECEIVED THROUGH TARIFFED ACCESS CHARGES FILED BY THE NATIONAL EXCHANGE CARRIER ASSOCIATION (NECA) WITH THE FEDERAL COMMUNICATIONS COMMISSION (FCC) ON BEHALF OF THE MEMBER COMPANIES. THESE ACCESS CHARGES ARE BILLED BY THE COMPANY TO THE INTERSTATE LONG DISTANCE CARRIERS, AND POOLED ACCESS CHARGE REVENUE RECEIVED BY THE COMPANY IS DETERMINED BASED ON NATIONWIDE AVERAGE COST SCHEDULES.

EFFECTIVE IN 1994, THE COMPANY IMPLEMENTED EXTENDED COMMUNITY CALLING (ECC) WHICH WAS MANDATED BY THE WISCONSIN PUBLIC SERVICE COMMISSION FOR ALL LOCAL TELEPHONE COMPANIES IN WISCONSIN. ECC EXTENDED THE CALLING AREAS FOR LOCAL EXCHANGE SUBSCRIBERS ARE REDUCED THE ACCESS BILLING AND COLLECTION CHARGES TO INTEREXCHANGE TELEPHONE CARRIERS. THE REDUCED REVENUE BEING CHARGED TO INTEREXCHANGE CARRIERS WAS PARTIALLY OFFSET BY LOCAL SERVICE REVENUE FROM EXTENDED COMMUNITY CALLING.

H. THE COMPANY ACCOUNTS FOR INCOME TAXES UNDER THE PROVISIONS OF

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 109, "ACCOUNTING OF INCOME TAXES",

ISSUED BY THE FINANCIAL ACCOUNTING STANDARDS BOARD. DUE TO THE REGULATED NATURE OF THE COMPANY'S UTILITY BUSINESS, THE COMPANY RECORDED ANY CHANGE OR ADDITION TO DEFERRED TAXES UNDER THE PROVISIONS OF THE STANDARD AS A REGULATED LIABILITY ACCOUNT. THE REGULATORY ACCOUNT WILL BE CONSIDERED AND AMORTIZED TO INCOME IN THE FUTURE AS DIRECTED BY THE PUBLIC SERVICE COMMISSION OF WISCONSIN. THE COMPANY HAS RECOGNIZED THE FOLLOWING DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES:

DEFERRED INCOME TAXES HAVE BEEN RECORDED ON THE NET UNDISTRIBUTED INCOME FROM THE COMPANY'S INVESTMENT IN COMPUTER SYSTEMS, LLC AND COMMUNICATIONS MANAGEMENT GROUP, LLC. DEFERRED INCOME TAX ASSETS HAVE BEEN RECORDED DUE TO UTILIZING THE DEFERRAL METHOD FOR INVESTMENT TAX CREDIT.

DEFERRED INCOME TAXES HAVE BEEN RECORDED ON THE DISTANCE LEARNING CONTRACT PAYMENTS RECEIVED.

FOR INCOME TAX PURPOSES, THE DEPRECIATION PROVISION IS BASED UPON THE MODIFIED AND ACCELERATED COST RECOVERY SYSTEMS (MACRS AND ACRS) FOR ALL FIXED ASSETS ADDITIONS SUBSEQUENT TO 1980, AND ON THE STRAIGHT-LINE BASIS FOR ALL YEARS PRIOR TO 1981. THIS RESULTED IN INCOME TAX SAVINGS OF \$209,663 FOR 2004 AND \$548,566 FOR 2003. THIS TIMING DIFFERENCE HAS BEEN NORMALIZED FOR BOOK PURPOSES THROUGH INCOME TAX EXPENSE AND DEFERRED INCOME TAX.

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

I. UNDER THE MOST RESTRICTIVE PROVISION OF THE LONG-TERM DEBT AGREEMENT, \$9,941,683 OF RETAINED EARNINGS IS RESTRICTED AGAINST THE PAYMENT OF DIVIDENDS AS OF DECEMBER 31, 2004.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	2,279	1,374	1
TOTAL CASH AND EQUIVALENTS	2,279	1,374	
RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Receivables (1170)*	730	1,080	2
Allowance for Doubtful Accounts (1171)*			3
TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS	730	1,080	
SUPPLIES			
Inventories (1220)*	35	32	4
TOTAL SUPPLIES	35	32	
PREPAYMENTS			
Prepayments (1280)*	257	295	5
TOTAL PREPAYMENTS	257	295	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0		6
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	3,301	2,781	
NONCURRENT ASSETS			
INVESTMENTS			
Nonregulated Investments (1406)*	210	266	7
RTB Class B Stock (1402)*			8
Other Noncurrent Assets (1410)*	5,562	5,262	9
TOTAL INVESTMENTS	5,772	5,528	
DEFERRED CHARGES			
Deferred Maint., Retirements and Other Deferred Charges (1438)*			10
TOTAL DEFERRED CHARGES	0	0	
OTHER JURISDICTIONAL ASSETS-NET			
Other Jurisdictional Assets-Net (1500)*			11
TOTAL OTHER JURISDICTIONAL ASSETS-NET	0	0	
TOTAL NONCURRENT ASSETS	5,772	5,528	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	16,635	15,503	12
Less: Accumulated Depreciation (3100)*	7,388	6,245	13
Less: Accumulated Amortization-Tangible (3400)*			14
Less: Accumulated Amortization-Capitalized Leases (3410)			15
NET TELECOMMUNICATIONS PLANT IN SERVICE	9,247	9,258	
PROPERTY HELD FOR FUTURE USE			
Property Held for Future Telecommunications Use (2002)*			16
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)*			17
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			18

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (000's)	Balance--FOY (000's) (c)
PLANT		
NONOPERATING PLANT		
Less: Accumulated Depreciation-Nonoperating (3300)*		19
NET NONOPERATING PLANT	0	0
TPUC		
Telecommunications Plant Under Construction (2003)*		20
TOTAL TPUC	0	0
TELECOMMUNICATIONS PLANT ADJUSTMENT		
Telecommunications Plant Adjustment (2005)*		21
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0
GOODWILL		
Goodwill (2007)*		22
TOTAL GOODWILL	0	0
TOTAL PLANT	9,247	9,258
TOTAL ASSETS AND OTHER DEBITS	18,320	17,567

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (4020)*			1
Other Current Accounts and Notes Payable (4000)*	1,590	1,628	2
Customers' Deposits (4040)*	10	11	3
Income Taxes-Accrued (4070)*			4
Other Taxes-Accrued (4080)*	3	2	5
Net Current Deferred Operating Income Taxes (4100)*			6
Net Current Deferred Nonoperating Income Taxes (4110)*			7
Current Maturities-Long-Term Debt (4050)*	131	124	8
Current Maturities-Capital Leases (4060)*			9
Other Current Liabilities (4130)*	180	99	10
TOTAL CURRENT LIABILITIES	1,914	1,864	
LONG-TERM DEBT			
Long-Term Debt and Funded Debt (4200)*	1,505	1,637	11
TOTAL LONG-TERM DEBT	1,505	1,637	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300)*	130	122	12
Unamortized Operating Investment Tax Credits-Net (4320)*	1	2	13
Unamortized Nonoperating Investment Tax Credits-Net (4330)*			14
Net Noncurrent Deferred Operating Income Taxes (4340)*	925	818	15
Net Deferred Tax Liability Adjustments (4341)*			16
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			17
Deferred Tax Regulatory Adjustments-Net (4361)*	54	54	18
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*			19
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	1,110	996	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	437	437	20
Additional Paid-in Capital (4520)*	22	22	21
Treasury Stock (4530)*	14	25	22
Other Capital (4540)*			23
Retained Earnings (4550)*	13,346	12,636	24
TOTAL STOCKHOLDERS' EQUITY	13,791	13,070	
TOTAL LIABILITIES AND OTHER CREDITS	18,320	17,567	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates. Provide details and dollar amounts for increases and decreases, respectively, by revenue category noted on Operating Revenues schedule.

---CONF---

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2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
COMPUTER SYSTEMS, LLC	CS, LLC	1
LVT CORP.	LVT	2

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25 (,000) or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000 (,000), individual contracts or arrangements not exceeding \$100 (,000) may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)
Docket	3110AT000100	3110AT000100		
Name of Affiliate	CS, LLC	LVT		1
Designate whether billed to or from:	FROM	TO		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	C		3
Total Dollar Activity (000's)	---CONF---	---CONF---		4
Percent of affiliate's business billed to all affiliated regulated utilities	---CONF---	---CONF---		5
If cost based, rate of return on equity or markup incorporated in billings	---CONF---	---CONF---		6
Footnotes				

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. (See Balance Sheet schedules for respective account titles other than account 4010, Accounts Payable.) Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "Other" for a particular account.

Name of Affiliate (a)	Account Number (b)	Balance EOY (000's) (c)	
LVT CORP.	1170	---CONF---	1
COMPUTER SYSTEMS, LLC	1410	---CONF---	2
LVT CORP.	1410	---CONF---	3

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
GENERAL SUPPORT ASSETS				
Land	2111	110	15	1
Motor Vehicles	2112	232	12	2
Aircraft	2113	0	0	3
Tools and Other Work Equipment	2114	176	0	4
Buildings	2121	2,113	2	5
Furniture	2122	132	9	6
Office Equipment	2123	66	0	7
General Purpose Computers	2124	202	44	8
TOTAL GENERAL SUPPORT ASSETS:		3,031	82	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0	0	9
Digital Electronic Switching	2212	3,219	542	10
Operator Systems	2220	0	0	11
Radio Systems	2231	0	0	12
Circuit Equipment	2232	1,933	64	13
TOTAL CENTRAL OFFICE ASSETS:		5,152	606	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	14
Customer Premises Wiring	2321	0	0	15
Large Private Branch Exchanges	2341	0	0	16
Public Telephone Terminal Equipment	2351	0	0	17
Other Terminal Equipment	2362	0	0	18
TOTAL INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411	18	0	19
Aerial Cable	2421	65	0	20
Underground Cable	2422	0	0	21
Buried Cable	2423	7,237	456	22
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	0	0	24
Aerial Wire	2431	0	0	25
Conduit Systems	2441	0	0	26
TOTAL CABLE & WIRE FACILITIES ASSETS:		7,320	456	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	27
Leasehold Improvements	2682	0	0	28
Intangibles	2690	0	0	29
TOTAL AMORTIZABLE ASSETS:		0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111			125	1
2112			244	2
2113			0	3
2114			176	4
2121			2,115	5
2122			141	6
2123			66	7
2124			246	8
	0	0	3,113	
2211			0	9
2212	0	0	3,761	10
2220			0	11
2231			0	12
2232	0	0	1,997	13
	0	0	5,758	
2311			0	14
2321			0	15
2341			0	16
2351			0	17
2362			0	18
	0	0	0	
2411			18	19
2421	0	0	65	20
2422	0	0	0	21
2423	12	0	7,681	22
2424	0	0	0	23
2426	0	0	0	24
2431			0	25
2441			0	26
	12	0	7,764	
2681			0	27
2682			0	28
2690			0	29
	0	0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
TOTAL TELECOM. PLANT IN SERVICE	2001	15,503	1,144	
Less: Allocation to Nonregulated Activity - EOY	2001			30
<hr/>				
NET REG TOTAL TELECOM. PLANT IN SERVICE - EOY 2001				
Explain all amounts shown in column (g).				

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2001	12	0	16,635	
2001				30
2001			16,635	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
Digital Electronic Switching - Circuit	2212.1	3,219	542	1
Digital Electronic Switching - Packet	2212.2	0		2
Circuit Equipment - Electronic	2232.1	1,933	64	3 L
Circuit Equipment- Optical	2232.2	0		4 L
Aerial Cable - Nonmetallic	2421.1	0		5
Aerial Cable - Metallic	2421.2	65		6
Underground Cable - Nonmetallic	2422.1	0		7
Underground Cable - Metallic	2422.2	0		8
Buried Cable - Nonmetallic	2423.1	1,945	131	9
Buried Cable - Metallic	2423.2	5,292	325	10
Sub. and Deep Sea Cable - Nonmetallic	2424.1	0		11
Submarine and Deep Sea Cable - Metallic	2424.2	0		12
Intrabuilding Cable - Nonmetallic	2426.1	0		13
Intrabuilding Cable - Metallic	2426.2	0		14

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2212.1			3,761	1
2212.2			0	2
2232.1		(386)	1,611	3L
2232.2		386	386	4L
2421.1			0	5
2421.2			65	6
2422.1			0	7
2422.2			0	8
2423.1	5		2,071	9
2423.2	7		5,610	10
2424.1			0	11
2424.2			0	12
2426.1			0	13
2426.2			0	14

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	112	20.0000	32		1
Aircraft	2113	0		0		2
Tools and Other Work Equipment	2114	129	10.0000	18		3
Buildings	2121	424	3.3000	70		4
Furniture	2122	26	10.0000	14		5
Office Equipment	2123	38	20.0000	13		6
General Purpose Computers	2124	180	25.0000	56		7
TOTAL GENERAL SUPPORT ASSETS		909		203	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0		0		8
Digital Electronic Switching	2212	828	10.0000	334	0	9
Operator Systems	2220	0		0		10
Radio Systems	2231	0		0		11
Circuit Equipment	2232	943	11.6000	228	0	12
TOTAL CENTRAL OFFICE ASSETS		1,771		562	0	
INFORMATION ORIGATION/TERMINATION ASSETS						
Station Apparatus	2311	0		0		13
Customer Premises Wiring	2321	0		0		14
Large Private Branch Exchanges	2341	0		0		15
Public Telephone Terminal Equipment	2351	0		0		16
Other Terminal Equipment	2362	0		0		17
TOTAL INFORMATION ORIG/TERM ASSETS		0		0	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411	18	11.7000	0		18
Aerial Cable	2421	55	6.3000	4	0	19
Underground Cable	2422	0		0	0	20
Buried Cable	2423	3,491	5.3000	387	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431	0		0		24
Conduit Systems	2441	0		0		25
TOTAL CABLE & WIRE FACILITIES ASSETS		3,564		391	0	
Total Accumulated Depreciation	3100	6,244		1,156	0	
Less: Nonreg Accumulated Depreciation	3100					26
Net Reg Total Accumulated Depreciation	3100			1,156	0	
Columns e, f and I						

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2112	0				144	1
2113	0				0	2
2114	0				147	3
2121	0				494	4
2122	0				40	5
2123	0				51	6
2124	0				236	7
	0	0	0	0	1,112	
2211	0				0	8
2212	0	0	0	0	1,162	9
2220	0				0	10
2231	0				0	11
2232	0	0	0	0	1,171	12
	0	0	0	0	2,333	
2311	0				0	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				0	17
	0	0	0	0	0	
2411	0				18	18
2421	0	0	0	0	59	19
2422	0	0	0	0	0	20
2423	12	0	0	0	3,866	21
2424	0	0	0	0	0	22
2426	0	0	0	0	0	23
2431	0				0	24
2441	0				0	25
	12	0	0	0	3,943	
3100	12	0	0	0	7,388	
3100						26
3100					7,388	

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount or subsidiary record. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)
Digital Electronic Switching - Circuit	2212.1	828	10.0	334	1
Digital Electronic Switching - Packet	2212.2	0			2
Circuit Equipment - Electronic	2232.1	943	11.6	228	3 L
Circuit Equipment- Optical	2232.2	0			4 L
Aerial Cable - Nonmetallic	2421.1	0			5
Aerial Cable - Metallic	2421.2	55	6.3	4	6
Underground Cable - Nonmetallic	2422.1	0			7
Underground Cable - Metallic	2422.2	0			8
Buried Cable - Nonmetallic	2423.1	447	5.3	35	9
Buried Cable - Metallic	2423.2	3,044	5.3	352	10
Sub. and Deep Sea Cable - Nonmetallic	2424.1	0			11
Submarine and Deep Sea Cable - Metallic	2424.2	0			12
Intrabuilding Cable - Nonmetallic	2426.1	0			13
Intrabuilding Cable - Metallic	2426.2	0			14

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2212.1	0				1,162	1
2212.2	0				0	2
2232.1	0			(374)	797	3 L
2232.2	0			374	374	4 L
2421.1	0				0	5
2421.2	0				59	6
2422.1	0				0	7
2422.2	0				0	8
2423.1	5				477	9
2423.2	7				3,389	10
2424.1	0				0	11
2424.2	0				0	12
2426.1	0				0	13
2426.2	0				0	14

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	12,636	11,861	1
Changes:			
Balance Transferred from Income	921	1,067	2
Dividends Declared:			
Common	211	210	3
Preferred	0	0	4
Total Dividends Declared	211	210	
Miscellaneous Debits to Retained Earnings	0	82	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>13,346</u>	<u>12,636</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	835	745	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	835	745	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	330	333	5
Switched Access Revenue (5082)*	613	500	6 B
Special Access Revenue (5083)*	844	841	7
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	1,787	1,674	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*			8
Switched Access Revenue (5082)*	346	397	9
Special Access Revenue (5083)*	801	824	10
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	1,147	1,221	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			11
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	0	0	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	---CONF---	---CONF---	12 C
Directory Revenue (5230)	---CONF---	---CONF---	13 D
Nonregulated Operating Revenue (5280)*	---CONF---	---CONF---	14 E
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	337	292	
GROSS OPERATING REVENUES	4,106	3,932	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	33	87	15 F
TOTAL UNCOLLECTIBLE REVENUES	33	87	
TOTAL OPERATING REVENUES	4,073	3,845	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	600	662	1
LESS: NONREGULATED	33	11	2
NET REGULATED PLANT SPECIFIC OPERATIONS EXPENSE	567	651	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Other Property, Plant and Equip. Exp. (6510)	1	2	3
Network Operations Expense (6530)	70	105	4 G
Access Expense (6540)		0	5
Depreciat. Exp.--Tele. Plant in Service (6561)	1,177	1,042	6
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)			7
Amortization Expense--Tangible (6563)			8
Amortization Expense--Intangible (6564)			9
Amortization Expense--Other (6565)			10
Depreciation and Amortization Expense (6560)	1,177	1,042	11
TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE	1,248	1,149	12
LESS: NONREGULATED	20	18	13
NET REGULATED PLANT NONSPECIFIC OPERATIONS EXPENSE	1,228	1,131	
CUSTOMER OPERATIONS EXPENSE			
Marketing (6610)	17	17	14
Services (6620)	489	444	15
TOTAL CUSTOMER OPERATIONS EXPENSE	506	461	16
LESS: NONREGULATED	64	26	17
NET REGULATED CUSTOMER OPERATIONS EXPENSE	442	435	
CORPORATE OPERATIONS EXPENSE			
TOTAL CORPORATE OPERATIONS EXPENSE	464	536	18
LESS: NONREGULATED	31	16	19
NET REGULATED CORPORATE OPERATIONS EXPENSE	433	520	
TOTAL EXPENSES	2,818	2,808	
LESS: NONREGULATED	148	71	
NET REGULATED EXPENSES	2,670	2,737	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (000's) (b)	
Gross Operating Revenues	4,106	1
Plus: Collection of amounts previously written off	14	2
Less: Uncollectibles written off during the year	47	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	4,073	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	835	1
Plus: Total Intrastate Access Revenues (5081-5083)	1,147	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	---CONF---	5
Plus (or Less) Other (please specify):	---CONF---	6
Assessable Revenues for Universal Service Fund Assessment Purposes	---CONF---	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)		0	1
LESS: NONREGULATED		0	2
NET REGULATED OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	
TOTAL OPERATING TAXES (7200)	618	444	3
LESS: NONREGULATED	0	11	4
NET REGULATED OPERATING TAXES (7200)	618	433	
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	309	628	5
LESS: NONREGULATED	0	0	6
NET REGULATED NONOPERATING INCOME AND EXPENSE (7300)	309	628	
TOTAL NONOPERATING TAXES (7400)	11	17	7
LESS: NONREGULATED	0	0	8
NET REGULATED NONOPERATING TAXES (7400)	11	17	
TOTAL INTEREST AND RELATED ITEMS (7500)	163	137	9
LESS: NONREGULATED	0	0	10
NET REGULATED INTEREST AND RELATED ITEMS (7500)	163	137	
TOTAL EXTRAORDINARY ITEMS (7600)	0	0	11
LESS: NONREGULATED	0	0	12
NET REGULATED EXTRAORDINARY ITEMS (7600)	0	0	
TOTAL NONREGULATED NET INCOME (7990)	1	(82)	13 J
TOTAL OTHER INCOME ACCOUNTS	(482)	(52)	
TOTAL NONREGULATED	1	(93)	
TOTAL NET REGULATED OTHER INCOME ACCOUNTS	(483)	41	

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
Distance Learning	1
Public Telephone Pay Service	2
Sales & Installation of Telephone Equipment	3

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Extended Community Calling	---CONF---	---CONF---	1
Other Local-Undefined	---CONF---	---CONF---	2 K
Total Local	255	1,313	
TOLL			
Toll	247	892	3
Total Toll	247	892	
Total Local & Toll	502	2,205	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A & B -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	1
Feature Group A & B -- Terr	---CONF---	---CONF---	---CONF---	---CONF---	2
Feature Group C -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	3
Feature Group C -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	4
Feature Group D -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	5
Feature Group D -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	6

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	119	1
Route miles of plant - microwave		2

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1
56/64 kbps (DS0)	---CONF---	---CONF---	2
1.54 Mbps (DS-1)	---CONF---	---CONF---	3
45 Mbps (DS-3)	---CONF---	---CONF---	4 A
SONET OC-1 (51.84 Mbps)	---CONF---	---CONF---	5
SONET OC-3 (155.52 Mbps)	---CONF---	---CONF---	6
SONET OC-12 (622.08 Mbps)	---CONF---	---CONF---	7
SONET OC-48 (2.488 Gbps)	---CONF---	---CONF---	8
SONET OC-192 (9.953 Gbps)	---CONF---	---CONF---	9
SONET OC-768 (39.812 Gbps)	---CONF---	---CONF---	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	---CONF---	---CONF---	3
PBX Trunks/Centrex & Key System Trunks	---CONF---	---CONF---	4
Centrex Lines	---CONF---	---CONF---	5
FX-Out (Switched)	---CONF---	---CONF---	6
Pay Telephone	---CONF---	---CONF---	7
Other	---CONF---	---CONF---	8
Total Business Lines	828	902	9
Residential (Incl. Emp. Concess.)			
1 Party	---CONF---	---CONF---	10
FX-Out (Switched)	---CONF---	---CONF---	11
Other	---CONF---	---CONF---	12
Total Residential Lines	2,757	2,655	13
Total Bus & Res Lines	3,585	3,557	14
Company Total Lines Used	51	58	15
Total Lines Used	3,636	3,615	16
Miscellaneous			
WATS Lines - OutWATS	---CONF---	---CONF---	17
WATS Lines - 800 Service	---CONF---	---CONF---	18
FX-In-intraLATA	---CONF---	---CONF---	19
Special Access-intraLATA (expressed in equiv. access lines)	---CONF---	---CONF---	20
Special Access-interLATA (expressed in equiv. access lines)	---CONF---	---CONF---	21
Feature Group C Trunks	---CONF---	---CONF---	22
Feature Group D Trunks	---CONF---	---CONF---	23
TSPS - Trunks	---CONF---	---CONF---	24
EAS and ECC - Trunks	192	192	25
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	26
Customers			
Number of Lifeline customers at FOY (January 1, 2004) and EOY (December 31, 2004):	88	101	27
Number of Linkup customers connected during FOY (Calendar year 2003) and EOY (Calendar year 2004):	0	66	28
Other			
Total Company Square Miles	200	200	29
Total Company Route Miles	631	642	30
Footnotes			31

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0910	3780			1
Business					2
1 Party	---CONF---	---CONF---			3
PBX Trunks/Centrex & Key System Trunks	---CONF---	---CONF---			4
Centrex Lines	---CONF---	---CONF---			5
FX-Out (Switched)	---CONF---	---CONF---			6
Pay Telephone	---CONF---	---CONF---			7
Other	---CONF---	---CONF---			8
Total Business Lines	---CONF---	---CONF---	0	0	9
Residential (Incl. Emp. Concess.)					10
1 Party	---CONF---	---CONF---			11
FX-Out (Switched)	---CONF---	---CONF---			12
Other	---CONF---	---CONF---			13
Total Residential Lines	---CONF---	---CONF---	0	0	14
Total Bus & Res Lines	---CONF---	---CONF---	0	0	15
Company Total Lines Used	---CONF---	---CONF---			16
Total Lines Used	---CONF---	---CONF---	0	0	17
Miscellaneous					18
WATS Lines - OutWATS	---CONF---	---CONF---			19
WATS Lines - 800 Service	---CONF---	---CONF---			20
FX-In-intraLATA	---CONF---	---CONF---			21
Special Access-intraLATA (equiv. access lines)	---CONF---	---CONF---			22 23
Special Access-interLATA (equiv. access lines)	---CONF---	---CONF---			24 25
Feature Group C Trunks	---CONF---	---CONF---			26
Feature Group D Trunks	---CONF---	---CONF---			27
TSPS - Trunks	---CONF---	---CONF---			28
EAS and ECC - Trunks	---CONF---	---CONF---			29
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---			30
Other					31
Exchange Square Miles	---CONF---	---CONF---			32
Exchange Route Miles	---CONF---	---CONF---			33
Footnotes					34

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Advanced Fiber Communication	AFC	1
Alcatel	AL	2
ATTC	ATT	3
Digital Loop Carrier	DLC	4
GTE	GTE	5
ITT	ITT	6
Lucent	ATT/LUC	7
Northern Telecom	NTI	8
Siemens	SI	9
Stromberg-Carlson	SC	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electronic--Digital	D	1
Electronic--Video	V	2
IP-Packet	P	3

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	CAMP DOUGLAS	NEW LISBON			1
PSCW Exchange ID	0910	3780			2
Central Office Name	CAMP DOUGLAS	NEW LISBON			3
PSCW Central Office ID	1	1			4
Central Office CLLI Code	CPDGWIXACGO	NWLSWIXA562			5
Manufacturer of COE (Page 54)	SI	SI			6
Type of Equipment (Page 54)	A	D			7
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	H	R			8
Remote Host PSCW Exchange ID		0910			9
Remote Host Central Office CLLI Code		CPDGWIXACGO			10
COE Generic Software Release No.	20	1			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	---CONF---	---CONF---			14
Trunks - In Use	---CONF---	---CONF---			15
ISDN Available?	Yes	Yes			16
ISDN Lines - In Use (BRI)	---CONF---	---CONF---			17
- In Use (PRI)	---CONF---	---CONF---			18
DSL Service Available?	Yes	Yes			19
- In Use (# lines)	---CONF---	---CONF---			20
End User VoIP Available?					21
Digital Service Available: DS-1 - In Use	---CONF---	---CONF---			22
DS-3 - In Use	---CONF---	---CONF---			23
OC-3 - In Use	---CONF---	---CONF---			24
Advanced Data Service Available:					25
Packet Switching?	No	No			26
Frame Relay?	No	No			27
ATM (Asynchronous Trans. Mode)?	No	No			28
Fiber Transmission Facilities:					29
No. of fiber strands entering C.O.	---CONF---	---CONF---			30
No. of fiber strands working (LIT) in C.O.	---CONF---	---CONF---			31
No. of fiber strands for interoffice use	---CONF---	---CONF---			32
Miles of fiber sheath in wire center	---CONF---	---CONF---			33
Access Tandem Serving this C.O.:					34
- C.O. Name	MADISON	MADISON			35
- PSCW C.O. CLLI Code					36
Does this C.O. do access tandem switching?	No	No			37
Footnotes					38

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A) Page 49 - Special Access Circuits - Telephone company does not have any 45 Mbps Interlata or Intralata circuits in service at the end of 2004.
- B) Page 40 - Account 5082 - Increase due to true-up of NECA overearnings for prior years.
- C) Page 40 - Account 5200 - Increase due to adding Directory Revenue to the Miscellaneous Revenue Line and additional rents charged to LVT Corp due to more operating activities.
- D) Page 40 - Account 5230 - Decrease is due to adding the Directory Revenue to the Miscellaneous Revenue line.
- E) Page 40 - Account 5280 - Decrease is due to not reporting the Nonregulated Revenue on this schedule. The Nonregulated Net Income is reported on Page 44.
- F) Page 40 - Account 5300 - Decrease due to less accounts being uncollectible this year and due to some prior year writeoff recoveries.
- G) Page 41 - Account 6530 - Decrease due to less general engineering charges.
- H) Page 41 - Nonregulated expenses - Increases due to increase in Nonregulated Income and related expenses.
- I) Page 10 - Reclassified the Nonregulated equipment from Telecommunications Plant in Service to Nonregulated Investments for both years. This will make the Balance Sheet (Page 10) tie out to the Plant Schedule (Pages 22-29).
- J) Page 44 - For the This Years numbers the Nonregulated Net Income Line is actual Nonregulated Net Income (Rev 149 less expenses 148). The Last Years numbers the Nonregulated Net Income Line is the total Nonregulated expense. This is the only way we could report it correctly to make Last Year come out correctly on Page 8 and to report This Year so it would not pick it up as assessable revenue on Page 43.
- K) Page 47 - Added the Intra-Exchange and Extended Area Service minutes to the Other Local-Undefined minutes to be able to clear edit check.
- L) Page 24 - Reclassification of COE fiber optic circuit equipment.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

M) Board of Directors
Lemonweir Valley Telephone Company
Camp Douglas, Wisconsin

The Balance Sheets of Lemonweir Valley Telephone Company as of December 31, 2004 and 2003 and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed forms have been compiled by us. We have also compiled the financial and non-financial data included on page 9 and pages 13 through 56 of the prescribed forms.

Our compilations were limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information that is the representation of management. We have not audited or reviewed the financial statements or accompanying data referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Service Commission of Wisconsin and do not include the statements of cash flows and all of the disclosures required by generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SIEPERT & CO. LLP
Certified Public Accountants

Beloit, Wisconsin

May 9, 2005

Communities Served with Basic Local Service

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Monroe	BYRON	Town	1
Juneau	CAMP DOUGLAS	Village	2
Juneau	CLEARFIELD	Town	3
Monroe	CLIFTON	Town	4
Juneau	CUTLER	Town	5
Juneau	FOUNTAIN	Town	6
Juneau	GERMANTOWN	Town	7
Juneau	HUSTLER	Village	8
Juneau	LINDINA	Town	9
Juneau	LISBON	Town	10
Juneau	NEW LISBON	City	11
Monroe	OAKDALE	Town	12
Juneau	ORANGE	Town	13
Juneau	PLYMOUTH	Town	14